## Senate Study Bill 3004 - Introduced

SEN	ATE FILE
ВУ	(PROPOSED COMMITTEE ON
	HUMAN RESOURCES BILL BY
	CHAIRPERSON SEGEBART)

## A BILL FOR

- 1 An Act relating to a no-deductible copayment structure for an
- 2 entire prescription drug benefit, including all formulary
- 3 tiers, in a specified percentage of individual, group, and
- 4 small group insurance contracts, policies, and plans offered
- 5 in the state by health carriers.
- 6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 1 Section 1. NEW SECTION. 514C.5A Prescription drug benefits
- 2 no-deductible copayment structure.
- 3 l. Definitions. For the purpose of this section:
- 4 a. "Health care service" means the same as defined in
- 5 section 514J.102.
- 6 b. "No-deductible copayment" means a copayment for a covered
- 7 health care service that is not subject to a deductible.
- 8 2. No-deductible copayment structure.
- 9 a. A health carrier that offers individual, group, or small
- 10 group contracts, policies, or plans in this state that provide
- 11 for third-party payment or prepayment of prescription drugs
- 12 shall, in at least twenty-five percent of the individual,
- 13 twenty-five percent of the group, and twenty-five percent of
- 14 the small group contracts, policies, or plans offered, do all
- 15 of the following:
- 16 (1) Apply a no-deductible copayment structure to the
- 17 entire prescription drug benefit, including all tiers of the
- 18 formulary, for which payment or prepayment is covered under the
- 19 contract, policy, or plan.
- 20 (2) Implement a no-deductible copayment structure
- 21 in all formulary tiers that is reasonably graduated and
- 22 proportionately related in all formulary tier levels.
- 23 b. A health carrier that offers only one contract, policy,
- 24 or plan of individual coverage in this state issued pursuant
- 25 to chapter 514, 514A, or 514B, or small group health coverage
- 26 issued pursuant to chapter 513B, shall do all of the following:
- 27 (1) Apply a no-deductible copayment structure to the
- 28 entire prescription drug benefit, including all tiers of the
- 29 formulary, for which payment or prepayment is covered under the
- 30 contract, policy, or plan.
- 31 (2) Implement a no-deductible copayment structure
- 32 in all formulary tiers that is reasonably graduated and
- 33 proportionately related in all formulary tier levels.
- 34 3. Rules. The commissioner shall adopt rules pursuant to
- 35 chapter 17A to administer this section.

- 1 4. Applicability.
- 2 a. This section shall apply to the following classes of
- 3 third-party payment provider contracts, policies, or plans
- 4 delivered, issued for delivery, continued, or renewed in this
- 5 state on or after January 1, 2019:
- 6 (1) Individual or group accident and sickness insurance 7 providing coverage on an expense-incurred basis.
- 8 (2) An individual or group hospital or medical service
- 9 contract issued pursuant to chapter 509, 514, or 514A.
- 10 (3) An individual or group health maintenance organization 11 contract regulated under chapter 514B.
- 12 (4) A plan established for public employees pursuant to 13 chapter 509A.
- 14 b. This section shall not apply to accident-only,
- 15 specified disease, short-term hospital or medical, hospital
- 16 confinement indemnity, credit, dental, vision, Medicare
- 17 supplement, long-term care, basic hospital and medical-surgical
- 18 expense coverage as defined by the commissioner, disability
- 19 income insurance coverage, coverage issued as a supplement
- 20 to liability insurance, workers' compensation or similar
- 21 insurance, or automobile medical payment insurance.
- 22 EXPLANATION
- The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.
- 25 This bill relates to a no-deductible copayment structure for
- 26 the entire prescription drug benefit, including all formulary
- 27 tiers, in a specified percentage of individual, group, and
- 28 small group contracts, policies, and plans offered in the state
- 29 by a health carrier.
- 30 The bill defines "no-deductible copayment" as a copayment
- 31 for a covered health care service not subject to a deductible.
- 32 The bill requires a health carrier that offers individual,
- 33 group, or small group contracts, policies, or plans that
- 34 include prescription drug benefits to apply a no-deductible
- 35 copayment structure to the entire prescription drug benefit,

- 1 including all tiers of the formulary. The no-deductible
- 2 copayment structure must be applied in at least 25 percent of
- 3 the individual, 25 percent of the group, and 25 percent of the
- 4 small group contracts, policies, or plans offered by the health
- 5 carrier.
- 6 If a health carrier offers only one contract, policy, or plan
- 7 of individual coverage issued per Code chapter 514, 514A, or
- 8 514B, or small group health coverage issued per Code chapter
- 9 513B, all contracts, policies, or plans offered by the health
- 10 carrier must apply a no-deductible copayment structure to the
- ll entire prescription drug benefit, including all tiers of the
- 12 formulary.
- 13 The no-deductible copayment structure must be reasonably
- 14 graduated and proportionately related in all formulary tier
- 15 levels.
- 16 The bill is applicable to third-party payment provider
- 17 contracts, policies, or plans delivered, issued for delivery,
- 18 continued, or renewed in this state on or after January 1,
- 19 2019, including individual or group accident and sickness
- 20 insurance providing coverage on an expense-incurred basis, an
- 21 individual or group hospital or medical service contract issued
- 22 pursuant to Code chapter 509, 514, or 514A, an individual or
- 23 group health maintenance organization contract regulated under
- 24 Code chapter 514B, or a plan established for public employees
- 25 pursuant to Code chapter 509A.
- The bill does not apply to accident-only, specified disease,
- 27 short-term hospital or medical, hospital confinement indemnity,
- 28 credit, dental, vision, Medicare supplement, long-term care,
- 29 basic hospital and medical-surgical expense, disability
- 30 income insurance coverage, coverage issued as a supplement
- 31 to liability insurance, workers' compensation or similar
- 32 insurance, or automobile medical payment insurance.